

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6722

BILL NUMBER: HB 1138

NOTE PREPARED: Feb 28, 2006

BILL AMENDED: Feb 14, 2006

SUBJECT: Hunting and Lifetime License Trust Fund.

FIRST AUTHOR: Rep. Bell

FIRST SPONSOR: Sen. Weatherwax

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill authorizes the director of the Department of Natural Resources (DNR), with the approval of the Natural Resources Commission (NRC) and the Budget Agency, and after review by the Budget Committee, to use money in the Lifetime Hunting, Fishing, and Trapping License Trust Fund to acquire property to be used for hunting and fishing. The bill makes an appropriation.

The bill also allows the director to designate free hunting days for youth hunters. It also reduces the minimum license fee to take an extra deer.

Effective Date: (Amended) July 1, 2005 (RETROACTIVE); July 1, 2006.

Explanation of State Expenditures: (Revised) *Lifetime Hunting, Fishing, and Trapping License Trust Fund.* The DNR director with the approval of the NRC, the Budget Agency, and after review by the Budget Committee, may use money in the Lifetime Hunting, Fishing, and Trapping License Trust Fund to acquire real property that will be used for hunting and fishing. The money used to acquire real property may not exceed 50% of the appraised value of the real property. Beginning July 1, 2005, and ending July 1, 2007, the bill appropriates to the DNR \$10 M from the fund to pay for the acquisition of property. Any part of the appropriation not expended or encumbered on June 30, 2006, continues to be available for FY2007.

The DNR currently administers the fund which consisted primarily of fees collected from the sale of lifetime hunting and fishing licenses; however, the DNR no longer sells lifetime licenses. (The DNR may also accept gifts for deposit in the fund.) The Treasurer of State must deposit proceeds from investment earnings in the fund.

Background: As of October 2005, the fund had a balance of approximately \$18 M. Under the bill, the DNR can use money in the fund for land acquisition. The money could be used to leverage additional dollars from private and federal sources.

Under existing law, on July 1 of each year, all earnings in the fund plus 2.5% of the money in the fund is transferred to the Fish and Wildlife Fund to maintain the automated point-of-sale licensing system. This system is currently operational.

Any unused part of the transfer and other money in the fund may be used for the following:

- (1) Protecting and propagating game, fish, and birds;
- (2) Paying the operational expenses of the Fish and Wildlife and Law Enforcement Divisions; and
- (3) Maintaining the automated point-of-sale licensing system.

Money in the fund at the end of a state fiscal year does not revert to the state General Fund.

Free Hunting Days for Youth. The director may designate not more than four days each year as free hunting days for youth hunters. The DNR could incur some expenses associated with advertising the free hunting days. However, the DNR should be able to cover any additional expense given its existing budget.

Under existing law, there is no age limit on how old a person must be to obtain a license. IC 14-22-11-5, however, does require that a person born after December 31, 1986, must have successfully completed a hunter education course offered by the DNR or the DNR's agent. The course is free. Under the proposal, the youths would not have to complete the hunter education course in order to hunt on "free" days. This provision could reduce expenses generated by providing the instruction to youths; however, the impact is not expected to be great.

Explanation of State Revenues: *Deer Licenses.* The minimum fee for a resident license to kill a deer is reduced from \$13.75 to \$5. A nonresident license to kill an extra deer is reduced from \$120.75 to \$10. Under existing law, the NRC sets fees given the statutory minimums. The impact of the proposal will depend on action taken by the NRC and the number of licenses that are subsequently issued. However, revenues collected for the licenses will decline if the fee is reduced. For 2005, the total resident deer licenses sold equaled 104,823, generating \$2.5 M. For 2005, the total nonresident deer licenses sold equaled 4,584 which generated \$553,518. Reducing the fees will reduce revenues that are deposited in the Fish and Wildlife Fund, which is used to finance the operations of the Division of Fish and Wildlife. The specific amount of the reduction is indeterminable.

Free Hunting Days for Youth. The director may designate not more than four days each year as free hunting days for youth hunters. This provision could reduce revenue generated by license fees that would have been issued to youths by an indeterminable amount.

Explanation of Local Expenditures:

Explanation of Local Revenues: Currently, the clerk of the circuit court in each county may issue hunting, trapping, and fishing licenses. The clerk is entitled to retain \$0.75 of the license fee generated from the sale of licenses. It is not known if the bill will result in an overall increase or decrease in hunting licenses sold. However, if the number of licenses sold does increase or decrease as a result of this bill, revenue collected by the clerks would also be affected.

State Agencies Affected: DNR, NRC, Budget Agency, Budget Committee.

Local Agencies Affected: Counties.

Information Sources: DNR.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.